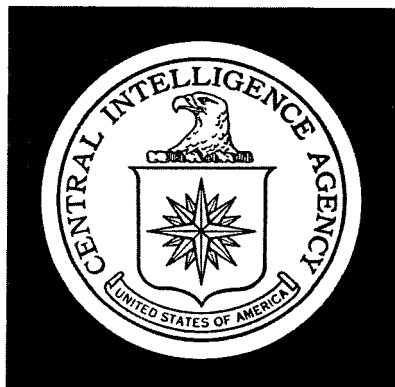


Top Secret



DIRECTORATE OF
INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

Top Secret

114

20 July 1967

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Information as of 1600
20 July 1967

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HIGHLIGHTS

Hanoi, in its party paper, has admitted that economic performance was poor during the first half of 1967 and North Vietnam's Deputy Premier Le Thanh Nghi is off on his annual aid seeking trip through the bloc.

I. The Military Situation in South Vietnam: Enemy forces launched an estimated battalion-size attack against South Vietnamese Army and Regional Force positions in Phuoc Tuy Province on 20 July (Paras. 1-2). US Marines have initiated two new operations in central and northern I Corps (Paras. 3-7).

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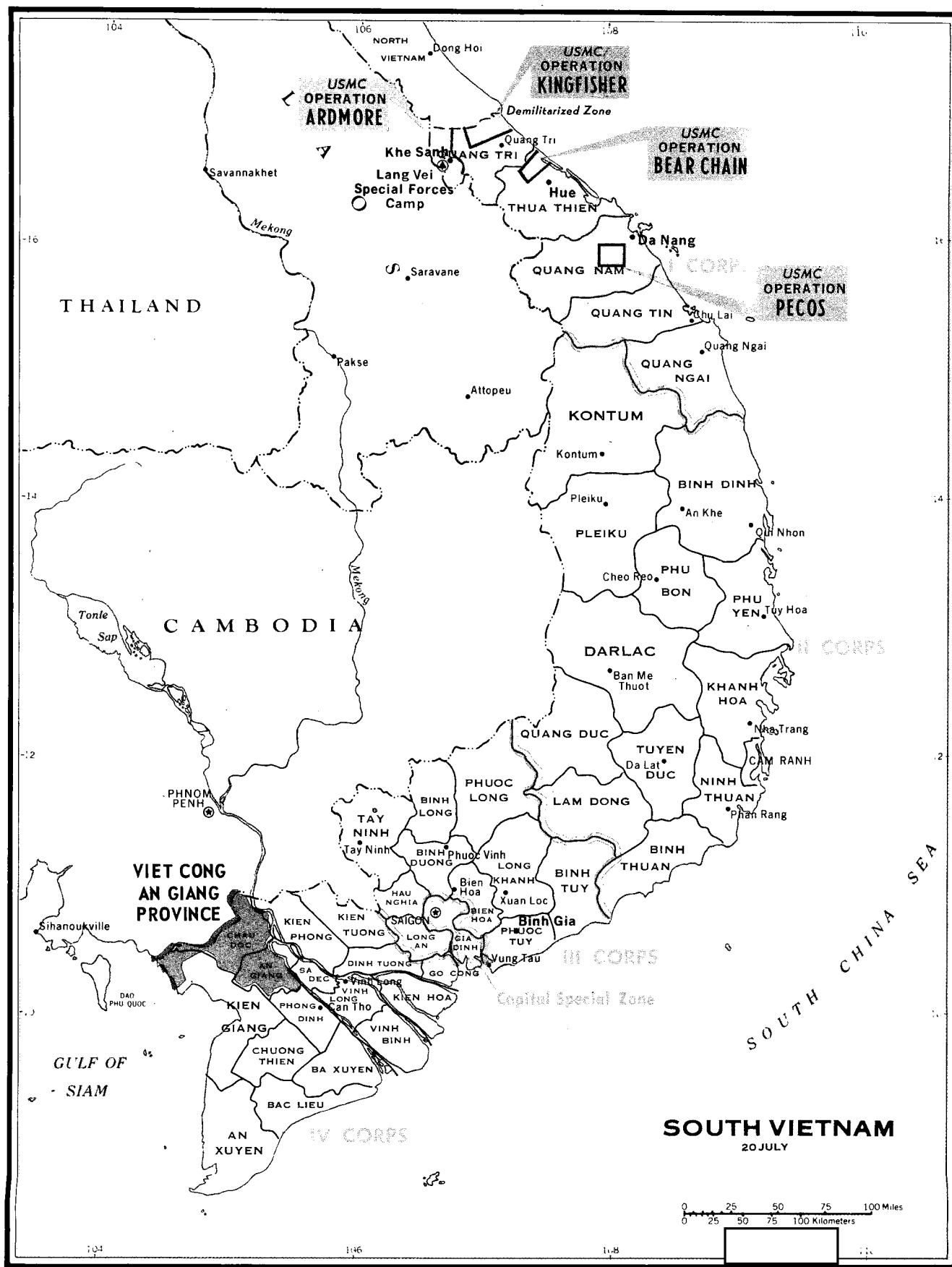
III. Military Developments in North Vietnam: The North Vietnamese are making elaborate preparations to keep key rail transportation routes open (Paras. 1-3).

IV. Other Communist Military Developments: There is nothing of significance to report.

V. Communist Political Developments: DRV Deputy Premier Le Thanh Nghi is off on another round of aid talks (Para. 1). Peking's treatment of the first anniversary of Ho Chi Minh's 17 July 1966 appeal appears to reflect Peking's displeasure with Hanoi (Paras. 2-3).

VI. Other Major Aspects: Hanoi has admitted that economic performance was poor during the first half of 1967 (Paras. 1-3).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Communist forces in estimated battalion-strength launched simultaneous predawn attacks on 20 July against an ARVN outpost and two South Vietnamese Regional Forces positions near the village of Binh Gia, some 37 miles east-southeast of Saigon in Phuoc Tuy Province. The defenders, supported by USAF AC-47 gunships, tactical air strikes, helicopter light-fire teams, artillery, and a US Army armored cavalry squadron, killed 30 Viet Cong while losing 15 killed, 36 wounded, and six missing.

2. [REDACTED]

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[REDACTED] identified the attacking force as the 1st Battalion/275th Regiment/5th Viet Cong Division. [REDACTED]

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[REDACTED] the 1st Battalion had temporarily joined forces with the division's 274th Regiment for operations in southeastern Phuoc Tuy Province, while the 275th's two remaining battalions shifted to War Zone "D" north of Saigon to re-equip, retrain, and receive North Vietnamese Army (NVA) replacements.

Marine Operations in I Corps

3. US Marines, in their continuing effort to keep enemy forces off balance in northern and central I Corps, initiated on 19 July search-and-destroy Operations BEAR CHAIN (north of Hue) and PECOS (in the mountainous area southwest of Da Nang).

4. There have been a number of reports in recent days of planned enemy attacks in the area of this operation, possibly against the Phong Dien District Headquarters. The main Communist command in that area, the Northern Front, has been reinforced with North Vietnamese troops this year and is now believed to control a division-size force.

20 July 1967

I-1

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5. In Operation PECOS, two reinforced battalions of the 7th Marine Regiment are establishing a forward combat base approximately 17 miles southwest of Da Nang from which they will fan out to block the avenues of approach to the large allied complex. Indications of an enemy build-up in the mountains west of Da Nang and in the A Shau Valley have been noted for some time. [REDACTED]

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[REDACTED] that the North Vietnamese 305th Division was en route to this area. It was from the high ground about seven miles southwest of Da Nang that the Communists launched their 15 July rocket attack on Da Nang Air Base.

6. Farther north--immediately below the Demilitarized Zone--five Marine battalions are carrying out a search-and-destroy operation--KING-FISHER. Enemy artillery and rocket attacks on the allied strongpoints in this area have slackened somewhat in recent days. [REDACTED]

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7. In Operation ARDMORE two Marine battalions in western Quang Tri Province are trying to make contact with elements of two regiments of the North Vietnamese 325th Division which still threaten the Marine base at Khe Sanh and the nearby Lang Vei Special Forces camp.

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20 July 1967

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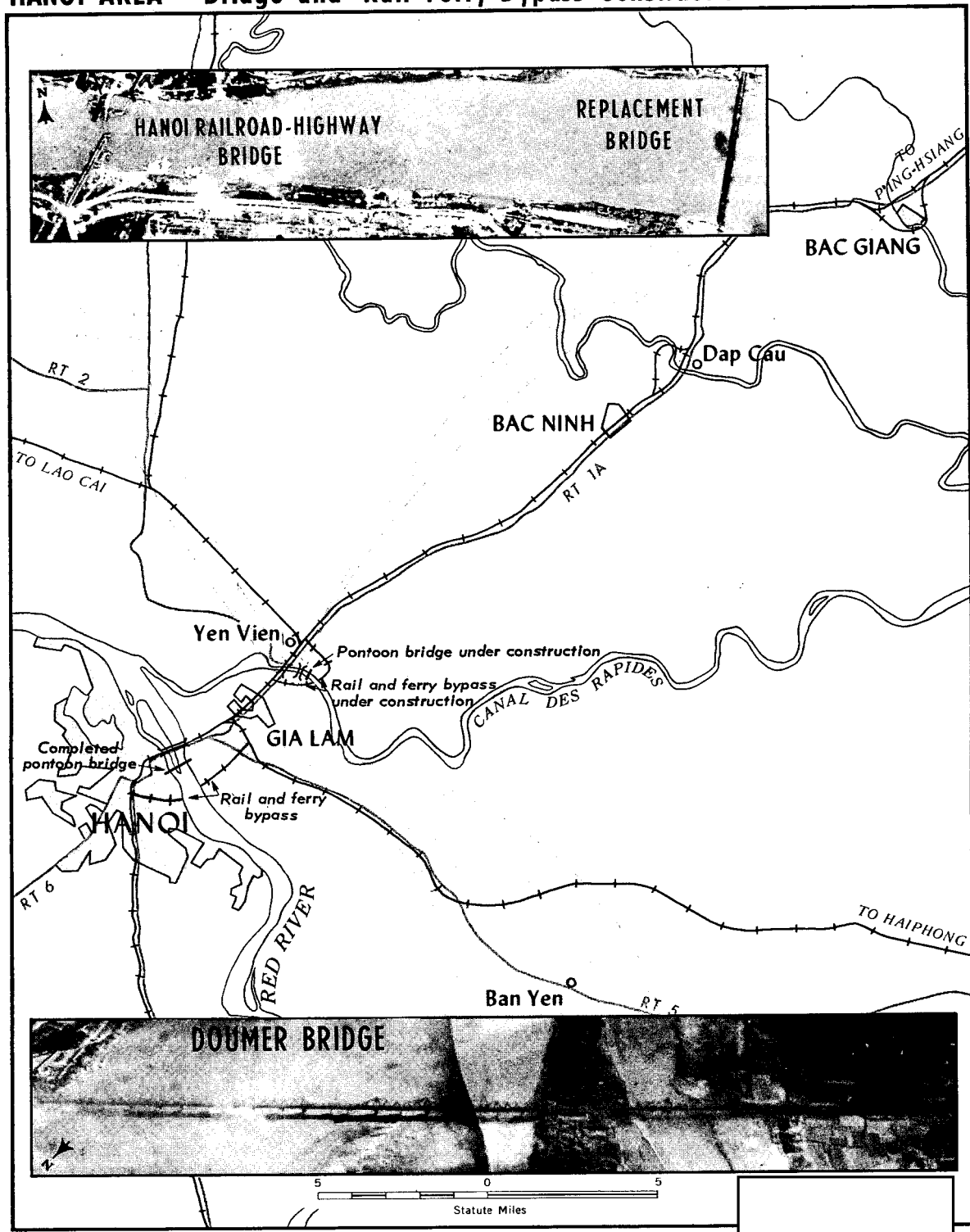
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HANOI AREA - Bridge and Rail Ferry Bypass Construction



67426 7-67 CIA

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. The North Vietnamese are making elaborate preparations to keep key rail transportation routes open by constructing substitutes and by-passes for important bridges even before these are bombed. Recent photography indicates that the Communists have already prepared a 113-section railroad pontoon bridge for the mile-long Doumer Bridge across the Red River--a bridge that has not been attacked.

2. Similar precautions had been taken by the North Vietnamese for the Canal des Rapides Bridge which was damaged by air attacks in late April. In that case, an alternate bridge was completed at the same site in about 20 days--the piers having been in place and bridge truss sections apparently assembled and camouflaged on the banks of the river until they were needed. Work was also started immediately on damage to the original bridge and it was back in service by early June. In addition to these two permanent bridges across the Canal des Rapides, the Vietnamese are currently installing a new pontoon bridge and a rail ferry in this area.

3. At the Doumer Bridge site, the Communists are also building a combined rail and ferry by-pass across the Red River. This is located just east of Hanoi and could be used either as a substitute for the Doumer Bridge or to shuttle traffic between Haiphong and southern North Vietnam without its having to enter Hanoi.

20 July 1967

III-1

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

20 July 1967

IV-1

Approved For Release 2004/06/24 : CIA-RDP79T00826A002400180001-0

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. Deputy Premier Le Thanh Nghi has left Hanoi on another round of aid talks. Radio Peking announced his arrival in China on 20 July. [REDACTED]

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[REDACTED] In the past two years, he has made a tour of Communist capitals to negotiate new aid agreements about every six months. His most recent trip was last fall.

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Peking Shows Restraint in Expression of Support for Vietnamese

2. Peking's treatment of the first anniversary of Ho Chi Minh's 17 July 1966 appeal for support indicates that the Chinese may be displeased with Hanoi's stand on the Vietnam war. Although the Chinese press has carried a number of Hanoi-dated round-ups stressing the resolve of the Vietnamese people to continue the struggle, the only Peking originated commentary has been an article by a relatively low-level figure. The article implicitly cautions Hanoi to avoid the "peace negotiations hoax" of the US and the Soviet Union and predicts that the Vietnamese "will surely win." It states that the Chinese are "determined at any price to side permanently with the Vietnamese people."

3. The vague, low-level expression of Chinese support contained in the article contrasts with Peking's enthusiastic response to Ho's appeal last July. A further indication of Peking's displeasure with Hanoi has been the almost complete absence of high-level commentary on Vietnam in the Chinese press in recent weeks.

20 July 1967

V-1

VI. OTHER MAJOR ASPECTS

1. The Hanoi party newspaper Nhan Dan admitted in an editorial on 14 July that the country's economic performance during the first half of 1967 was poor.

2. This year's early rice crop was admitted to have been smaller than the mediocre early crop in 1966. The blame was placed both on natural causes and poor management. The article described the "clumsy" leadership which lead to a shortfall in planted acreage, shortage of rice seedlings, and belated measures against insect blight. It maintained that part of the problem was the inability of management to devise new production techniques to overcome wartime difficulties.

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3. For industry, output is said to have been "stabilized." Local industry, which Hanoi relies on to supply consumer goods and rural equipment and machinery, performed "fairly well." These are the weakest claims Hanoi has ever made for industry and certainly mean that production has lagged behind plans and possibly retrogressed from 1966.

20 July 1967

VI-1